

117TH CONGRESS
1ST SESSION

S. 2816

To establish a youth savings match grant program for students in grades 9 through 12.

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 23, 2021

Mr. PETERS (for himself and Ms. LUMMIS) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To establish a youth savings match grant program for students in grades 9 through 12.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “PIGGY BANK Act”
5 or the “Program to Inspire Growth and Guarantee Youth
6 Budgeting Advice and Necessary Knowledge Act”.

7 **SEC. 2. PILOT YOUTH SAVINGS MATCH GRANT PROGRAM.**

8 (a) DEFINITIONS.—In this Act:

9 (1) ESEA TERMS.—The terms “local edu-
10 cational agency” and “parent” have the meaning

1 given those terms in section 8101 of the Elementary
2 and Secondary Education Act of 1965 (20 U.S.C.
3 7801).

4 (2) SECRETARY.—The term “Secretary” means
5 the Secretary of Education.

6 (b) PROGRAM AUTHORIZED.—

7 (1) IN GENERAL.—The Secretary, in collabora-
8 tion with the Financial Literacy and Education
9 Commission of the Department of Treasury and the
10 Division of Consumer and Community Affairs of the
11 Board of Governors of the Federal Reserve System,
12 shall establish a pilot program to award grants to
13 States, on a competitive basis, to enable those States
14 to select participating eligible local educational agen-
15 cies in the State to carry out a youth savings match
16 program, as described in subsection (d).

17 (2) DURATION.—Grants awarded under this
18 section shall be for a period of 6 years.

19 (c) APPLICATION.—Each State desiring a grant
20 under this section shall submit to the Secretary an appli-
21 cation at such time, in such manner, and accompanied by
22 such information as the Secretary may require, which shall
23 include, at a minimum—

- 1 (1) a comprehensive plan of administration of
2 the youth savings match program, including how
3 parents will be encouraged to participate;
- 4 (2) the identification of a single account trust-
5 ee, which shall be a State agency, such as a State
6 Department of Treasury, Office of the Governor,
7 Lieutenant Governor, State financial regulator,
8 Comptroller, a tax-exempt nonprofit organization or
9 foundation, or a for-profit organization or business
10 with demonstrated expertise and experience in suc-
11 cessfully managing financial services;
- 12 (3) an assurance that the State and partici-
13 pating eligible local educational agencies in the State
14 will participate in an evaluation of the program;
- 15 (4) an identification of the individuals who will
16 conduct the training for teachers who administer the
17 financial literacy classroom component of the pro-
18 gram; and
- 19 (5) a description of the goals and objectives of
20 the financial literacy classroom component of the
21 program and an overview of that program, including
22 an overview of the topics that will be part of that
23 program.
- 24 (d) YOUTH SAVINGS MATCH GRANT PROGRAM.—

1 (1) ELIGIBLE LEAS.—A local educational agen-
2 cy shall be eligible to participate in the youth sav-
3 ings match program if that local educational agency
4 receives funding under part A of title I of the Ele-
5 mentary and Secondary Education Act of 1965 (20
6 U.S.C. 6311 et seq.).

7 (2) YOUTH SAVINGS MATCH PROGRAM.—Each
8 participating eligible local educational agency shall
9 use grant funds to carry out a youth savings match
10 program, through which the eligible local educational
11 agency shall ensure that—

12 (A) every year each student in grades 9
13 through 12 that is served by that eligible local
14 educational agency is notified that—

15 (i) a youth savings match program ac-
16 count has been established for that stu-
17 dent, and the account will be funded in ac-
18 cordance with subparagraph (B);

19 (ii) in order to retain the initial de-
20 posit and matching contributions from
21 grant funding that are deposited in the
22 student's youth savings match program ac-
23 count, the student and parents may not
24 withdraw from the student's youth savings
25 match program account until the date that

1 is 1 year after the date of the student's
2 high school graduation, or expected high
3 school graduation, unless the withdrawal is
4 approved in accordance with subparagraph
5 (G); and

6 (iii) upon withdrawal, funds in the
7 youth savings match program account may
8 be taxed;

9 (B) each student in grades 9 through 12
10 who is served by the eligible local educational
11 agency—

12 (i) receives \$300 in an initial deposit
13 in the participating student's youth savings
14 match program account; and

15 (ii) receives, on a monthly basis and
16 for a total of not more than 4 years, an
17 amount of funds equal to the amount of
18 funds that the participating student or
19 such student's family contributes in that
20 month to the student's youth savings
21 match program account, except that such
22 monthly match amount shall not exceed
23 \$25 and the total amount of Federal
24 matching funds shall not exceed \$300 each
25 year;

- 1 (C) funds contributed to a youth savings
2 match program account are deposited in an ac-
3 count at a depository institution (as defined in
4 section 19(b)(1)(A) of the Federal Reserve Act
5 (12 U.S.C. 461(b)(1)(A))) or invested in United
6 States Treasury bills, notes, or bonds;
- 7 (D) participating students and their fami-
8 lies are able to make deposits into the youth
9 savings match program account in person, on-
10 line, or on mobile devices, and are encouraged
11 to make automatic deposits into that account;
- 12 (E) the parents of participating students
13 are encouraged to participate in the program
14 and contribute to the student's youth savings
15 match program account;
- 16 (F) any early withdrawal from a youth
17 savings match program account will require ap-
18 proval of the savings account trustee identified
19 in the State's application under subsection (c)
20 and such a withdrawal will only be approved if
21 the funds are withdrawn for the purpose of pay-
22 ing for postsecondary education, a career and
23 technical education program of study, home-
24 ownership, business ownership, medical hard-
25 ship, or for another purpose that the eligible

1 local educational agency determines to be an
2 authorized purpose;

3 (G) if funds are withdrawn from a youth
4 savings match program account that are not
5 approved under subparagraph (F)—

6 (i) the student will lose any Federal
7 grant money that has been contributed to
8 the account (including the initial deposit,
9 matching contributions, and bonus con-
10 tributions, as described in subparagraph
11 (B)), and no further matching funds will
12 be contributed to the account; and

13 (ii) the student and parent may still
14 retain, and may withdraw funds that the
15 student or parent has contributed to the
16 student's youth savings match program ac-
17 count; and

18 (H) participating students receive financial
19 literacy education, in a manner determined by
20 the State receiving the grant, which shall in-
21 clude information about how funds in the youth
22 savings match program account may be taxed
23 and explaining how taxation works for interest-
24 bearing or investment accounts.

1 (e) EVALUATION.—The Secretary shall carry out an
2 evaluation of the grant program under this section to de-
3 termine which aspects of the program have been effective
4 and which aspects of the program have not been effective.

5 (f) REPORT.—Not later than 4 years after the imple-
6 mentation of the grant program under this section, the
7 Secretary shall prepare and submit a report to Congress
8 containing the results of the evaluation under subsection
9 (e).

10 (g) AUTHORIZATION OF APPROPRIATIONS.—There
11 are authorized to be appropriated to carry out this Act
12 such sums as may be necessary for fiscal year 2022 and
13 each of the 3 succeeding fiscal years.

